



Department of Justice

FOR IMMEDIATE RELEASE
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**TEXAS DAIRY CHARGED WITH RIGGING BIDS ON CONTRACTS
TO SUPPLY MILK TO PUBLIC SCHOOLS AND HOSPITALS IN TEXAS**

WASHINGTON, D.C.-- A Texas dairy company was charged today with rigging bids on contracts to supply milk to public school districts and hospitals located in the Texas Panhandle, according to the Department of Justice's Antitrust Division.

This is the ninth case brought by the Antitrust Division concerning the sale of milk in Texas, and the 123rd nationwide.

Plains Creamery Inc. of Amarillo, Texas, was charged with conspiring with others to suppress and eliminate competition by rigging bids and allocating contracts to supply fluid milk to public school districts and hospitals located in an 18-county area of the Texas Panhandle. The charged conspiracy began in Spring 1982 and continued through June 1989.

To date, 61 corporations and 56 individuals have been convicted and approximately \$62.4 million in fines and civil penalties have been imposed in cases involving the supply of dairy products to public school districts. Twenty-six individuals have been sentenced to serve terms of imprisonment in cases involving the supply of dairy products to public school

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districts. Twenty-one grand juries in 17 states continue to investigate the milk industry.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charges resulted from a continuing investigation by a grand jury in Dallas into suspected bid rigging and market allocation in the dairy industry in Texas. The investigation is being conducted by the Antitrust Division's Dallas Field Office with the assistance of the U.S. Department of Agriculture, Office of Inspector General, Investigations, Southwest Region.

The maximum penalty for a corporation convicted under the Sherman Act for a violation occurring prior to November 16, 1990, is a fine of \$1 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss caused to the victims of the crime, whichever is greater.

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